

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 6/26/2014

Action Requested By:
Finance

Agenda Item Type
Resolution

Subject Matter:

Investment Management Agreement

Exact Wording for the Agenda:

Resolution authorizing the Mayor to execute an Investment Management Agreement with Regions Bank, for the City's Post-Retirement Benefit Trust.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Regions Bank is the City's Trustee of the Post-Retirement Benefits Trust (retiree health care). The City uses Regions as investment advisor for trust assets, and the agreement describes the terms of this advisory role.

Associated Cost:

Budgeted Item: Yes

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: _____

Date: 6/16

ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: Finance

Council Meeting Date: 6/26/2014

Department Contact: Randy Taylor

Phone # 5062

Contract or Agreement: Investment Management Agreement with Regions Bank

Document Name: 20140626 Regions Bank Agreement.docx

City Obligation Amount:

Total Project Budget:

Uncommitted Account Balance:

Account Number:

Procurement Agreements

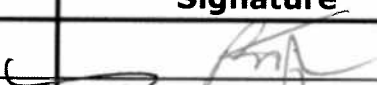


Not Applicable

Not Applicable

Grant-Funded Agreements

Not Applicable

Grant Name:

Department	Signature	Date
1) Originating		<u>6/16</u>
2) Legal		<u>6-16-14</u>
3) Finance		<u>6/16</u>
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

RESOLUTION NO. 14-_____

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into an Investment Management Agreement by and between the City of Huntsville and REGIONS BANK, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, substantially in the form as that attached hereto as Exhibit "A" and made a part hereof by reference, an executed copy of said document shall be permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 26th day of June, 2014.

President of the City Council
Of the City of Huntsville,
Alabama

APPROVED this the 26th day of June, 2014.

Mayor of the City of Huntsville,
Alabama

Investment Management Agency Agreement

THIS AGREEMENT made the 31st day of January, 2013 by and between City of Huntsville, a municipal corporation in the State of Alabama (hereinafter called the Principal) and Regions Bank, an Alabama banking corporation, (hereinafter called the Agent).

W I T N E S S E T H

WHEREAS, Principal is desirous of obtaining professional financial supervision and management of assets as Principal may deliver to Agent from time to time,

NOW THEREFORE, this Agency Agreement is hereby entered into, and it is hereby agreed and declared that the Agent shall stand possessed of approximately \$5,500,000, and of any other funds or property hereafter received, or paid, transferred, or conveyed to the Agent for the purpose of these presents to manage the same for and during the term of this Agreement, and to receive the income thereof for the benefit of the Principal and with and subject to the powers and provisions hereinafter contained concerning the same.

ARTICLE I

The Principal may transfer additional property to the Agent to be held in accordance with this Agreement. The Principal shall have authority to direct the Agent as to specific investments or as to general investment policies to be followed, including the holding, purchasing and sale or other disposition of Regions Financial Corporation stock and investing in interest bearing deposits in Regions Bank and its affiliates. In the absence of written directions, the Agent shall have full authority to invest and reinvest in, and to acquire by purchase, exchange or otherwise, property of any character whatsoever, foreign or domestic, or interest or participations therein, including by way of illustration and not of limitation: real property, mortgages, bonds, notes, debentures, certificates of deposit, capital, common and preferred stocks, shares or interests in investment trusts, mutual funds (including proprietary mutual funds), warrants, options or common trust funds, without regard to the proportion any such property or similar property held may bear to the entire amount held and without any obligation to diversify, whether or not the same is of the kind in which fiduciaries are authorized by law or any rule of court to invest funds. Agent shall invest in stock or other securities issued by Agent, and interest bearing deposits with Agent only upon the specific written direction of the Principal. The Agent is specifically authorized and empowered

to hold and retain any stock or other security issued by the Agent in its individual corporate capacity or by any affiliated or related issuer or any stock in which officers or directors of the Agent may be interested whether as stockholders or otherwise.

ARTICLE II

The Principal agrees that the terms and provisions of any collective investment trusts sponsored by the Agent shall be incorporated into and shall be a part of this Agreement.

ARTICLE III

The Agent may refrain from voting or vote stock or execute discretionary proxies with or without power of substitution.

ARTICLE IV

The Agent may accumulate or pay the net income and principal to the Principal as it may direct from time to time.

ARTICLE V

The Agent shall be responsible for the safekeeping of all property held by it under this Agreement. Agent may deposit such property in any depository or similar institution, and may register such property in its nominee name or nominee name of the depository.

ARTICLE VI

The Agent shall render annual or more frequent statements as may be required of receipts and disbursements for the account of Principal and an inventory of the account as of the last day of such reporting period. The Agent shall also furnish the Principal with data for the preparation of any federal or state law returns or information as may be needed.

ARTICLE VII

The Agent shall receive compensation for its services in accordance with its current schedule of fees. The Agent shall be authorized to deduct the fees and out-of-pocket expenses from the funds held under this Agreement.

ARTICLE VIII

The undersigned certify and warrant to the Agent that they have the right, power and authority to enter into and execute this Agreement. The Agent shall be fully protected in acting in accordance with any instrument which it may consider pertinent, reliable, genuine, and to have been signed by the proper Principal or other designated party. The Agent shall also be protected to act on the Principal's instructions in verbal,

telephonic or telegraphic form with full protection to the Agent, and the Principal agrees to submit promptly thereafter written confirmation of such instructions when appropriate.

ARTICLE IX

The Principal hereby expressly reserves and retains the right at any time or from time to time by a notice in writing delivered to the Agent to withdraw any or all of the property held hereunder or to revoke the Agency account hereby created in whole or in part, subject to the payment of the compensation due to Agent and subject to the payment of the reasonable expenses of terminating the Agency account; and to alter, amend and modify this Agreement in any and every respect provided, however, that the duties, responsibilities and compensation of the Agent shall not be changed without written consent of the parties hereto.

ARTICLE X

This Agreement may be terminated by either the Principal or Agent upon 30 days advance written notice to the other party. Upon termination of this Agreement, Agent shall deliver to Principal the property held hereunder and a final accounting for the period since the last statement.

ARTICLE XI

This Agreement shall be construed according to the laws of the State of Alabama.

PRINCIPAL:

By: _____

ATTEST:

By: _____

Its: _____

Its: _____

AGENT:

By: _____

ATTEST:

By: _____

Its: _____

Its: _____